

SERVICE DATE – FEBRUARY 4, 2013

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. EP 431 (Sub-No. 4)

REVIEW OF THE GENERAL PURPOSE COSTING SYSTEM

Digest:<sup>1</sup> The Board is proposing changes to its general purpose costing system, the Uniform Railroad Costing System (URCS). Specifically, the Board is proposing to adjust how URCS calculates certain system-average unit costs to better reflect railroad operations and to automatically reflect economies of scale as shipment size increases, thus eliminating the need for a separate mathematical adjustment, referred to as the “make-whole adjustment.” The Board is also proposing to make a number of other related changes to URCS that will result in more accurate movement costs, and to change two of its reporting requirements.

Decided: January 25, 2013

AGENCY: Surface Transportation Board.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: Through this Notice of Proposed Rulemaking, the Surface Transportation Board (Board) is proposing certain changes to its general purpose costing system, the Uniform Railroad Costing System (URCS). Specifically, the Board is proposing to adjust how URCS calculates certain system-average unit costs in Phase II, thereby obviating the need for URCS to apply a separate make-whole adjustment in Phase III. The Board is also proposing other related changes to URCS that would result in more accurate movement costs, as well as changes to two of its reporting requirements.

DATES: Comments are due by March 21, 2013; replies are due by April 22, 2013.

ADDRESSES: Comments may be submitted either via the Board’s e-filing format or in the traditional paper format. Any person using e-filing should attach a document and otherwise comply with the instructions at the “E-Filing” link on the Board’s website, at <http://www.stb.dot.gov>. Any person submitting a filing in the traditional paper format should

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<sup>1</sup> The digest constitutes no part of the decision of the Board but has been prepared for the convenience of the reader. It may not be cited to or relied upon as precedent. Policy Statement on Plain Language Digests in Decisions, EP 696 (STB served Sept. 2, 2010).

send an original and 10 copies to: Surface Transportation Board, Attn: Docket No. EP 431 (Sub-No. 4), 395 E Street, SW, Washington, DC 20423-0001.

FOR FURTHER INFORMATION CONTACT: The Board's Office of Public Assistance, Governmental Affairs, and Compliance at (202) 245-0238. Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at (800) 877-8339.

SUPPLEMENTARY INFORMATION: In 1989, the Board's predecessor, the Interstate Commerce Commission (ICC), adopted URCS as its general purpose costing system. Adoption of the Unif. R.R. Costing Sys. as a Gen. Purpose Costing Sys. for All Regulatory Costing Purposes, 5 I.C.C.2d 894 (1989). The Board uses URCS for a variety of regulatory functions. URCS is used to make the jurisdictional determination in railroad maximum rate reasonableness proceedings, as well as the revenue allocation methodology and rate prescription methodology. URCS is also used to develop variable costs for making cost determinations in abandonment proceedings; to provide the railroad industry and shippers with a standardized costing model; to cost the Board's Car Load Waybill Sample to develop industry cost information; and to provide interested parties with basic cost information. URCS develops a regulatory cost estimate that can be applied to a service that occurs anywhere on a rail carrier's system.

URCS develops these cost estimates through three distinct phases. In Phase I, which was completed one time when URCS was originally developed, regression analyses were performed using the annual reports submitted by Class I rail carriers (R-1 reports) at the time and equations linking expense account groupings with particular measures of railroad activities were estimated. In Phase II, which is performed annually, URCS takes the aggregated cost data provided by Class I carriers in their most recent R-1 reports and disaggregates them by calculating the system-average unit costs associated with specific rail activities. In Phase III, URCS takes the unit costs from Phase II and applies them to the characteristics of a particular movement in order to calculate the system-average variable and total costs of that movement.

The ICC and now the Board have made modest adjustments to URCS over the years.<sup>2</sup> In August 2009, the Senate Committee on Appropriations directed the Board to submit a report providing options for updating URCS. In the report submitted by the Board in May 2010, the Board identified the "make-whole adjustment" as one area that warranted further review.<sup>3</sup> This

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<sup>2</sup> See, e.g., Review of the Surface Transp. Bd.'s Gen. Costing Sys., EP 431 (Sub-No. 3) (STB served Apr. 6, 2009); Review of Gen. Purpose Costing Sys., EP 431 (Sub-No. 2) (STB served Dec. 5, 1997); Review of Gen. Purpose Costing Sys., EP 431 (Sub-No. 2) (STB served Oct. 1, 1997); Review of Gen. Purpose Costing Sys., EP 431 (Sub-No. 2) (ICC served July 21, 1993).

<sup>3</sup> Surface Transp. Bd., Surface Transportation Board Report to Congress Regarding the Uniform Rail Costing System, 14, 18-19 (May 27, 2010).

rulemaking is intended to address concerns with the make-whole adjustment in URCS.

The make-whole adjustment is applied by URCS to correct the fact that, when disaggregating data and calculating system-average unit costs in Phase II, URCS currently does not take into account the economies of scale realized from larger shipment sizes. The purpose of the make-whole adjustment, which is calculated and applied in Phase III, is to recognize the efficiency savings that a carrier obtains in its higher-volume shipments and thus render more accurate unit costs.

URCS applies the make-whole adjustment through a three-step process. First, URCS assumes that a movement's costs are equal to that of a system-average movement. Next, URCS applies "efficiency adjustments" to higher-volume movements (multi-car and trainload), thereby reducing the system-average unit costs of such movements.<sup>4</sup> Last, URCS redistributes the total savings obtained in all of the higher-volume shipments (the "shortfall") across all of the lower-volume shipments (single-car and multi-car), such that the sum of variable costs across all of the carrier's movements remains the same. Currently, single-car shipments are defined as 1 to 5 cars, multi-car shipments are defined as 6 to 49 cars, and trainload shipments are defined as 50 or more cars.<sup>5</sup>

There are two primary concerns with how the make-whole adjustment is currently applied by URCS. The first concern involves the step function that results from the application of efficiency adjustments, which generally reduce the system-average unit costs by various set percentages depending on whether the movement is classified as trainload, multi-car, or single-car. For example, the system-average unit cost for a multi-car movement is the same whether it is a 6-car or 49-car shipment. The same is true for the unit cost for a trainload movement, whether it be a 50-car or 85-car shipment. At the same time, however, the system-average unit cost for a 49-car multi-car shipment is noticeably higher than a 50-car trainload shipment. In other words, "break points" exist between single-car and multi-car shipments, and between multi-car and trainload shipments. Our concern with respect to the efficiency adjustments is that there is a

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<sup>4</sup> There are 14 efficiency adjustments for multi-car and trainload movements, any number of which may apply to a particular movement.

<sup>5</sup> Single-car, multi-car, and trainload are the three basic categories for how shipments are treated under the make-whole adjustment. Because of its handling of the Empty/Loaded Ratio, however, URCS currently treats all trainload movements as dedicated unit train movements—that is, it assumes that every trainload movement travels from origination to destination and back to origination. See infra at 7. Additionally, URCS treats intermodal traffic as a type of hybrid category. Prior to 1997, URCS treated intermodal traffic as single-car movements. In 1997, the Board concluded that more accurate costs would be obtained by applying to intermodal traffic many of the efficiency adjustments applicable to trainload movements. Review of Gen. Purpose Costing Sys., EP 431 (Sub-No. 2), slip op. at 4-5 (STB served Oct. 1, 1997).

relatively large difference between the unit costs of a movement on one side of a break point compared to the unit costs just on the other side of a break point.

The second concern is with how the make-whole adjustment redistributes the shortfall across single-car and multi-car movements. Currently, the shortfall is distributed across lower volume movements on a per-car basis. For example, under the per-car method for switching related costs, costs are increased in proportion to the number of cars switched (i.e., a two-car movement is costed as twice as expensive to switch as a one-car movement, a three-car movement is three times as expensive to switch as a one-car movement, etc.). Yet the actual switching costs for two cars as opposed to one car are not likely to be twice as expensive because the time, equipment, and personnel involved do not double. By not decreasing the per-car costs as shipment size increases, the redistribution of savings does not adequately account for economies of scale. Additionally, the redistribution of savings creates a second step function because the add-ons increase costs per-car across single-car and multi-car shipments, but do not apply to trainload shipments. For example, under the current system, the costs are increased in proportion to the number of cars. If the shortfall redistribution for a one-car shipment is \$1,000, then the shortfall redistribution for a 49-car shipment is \$49,000. But because the add-ons do not apply to trainload shipments, there is no redistribution of costs to a 50-car shipment. This causes the costs of a 49-car shipment to be higher than a 50-car shipment, thus creating a step function. This second step function, in which there is a relatively large difference between the variable costs of a 49-car movement and a 50-car movement, is caused by the current per-car method of redistributing the shortfall.

### Proposed Changes

Rather than attempting to refine the make-whole adjustment as it is currently applied, we believe that the best course of action is to more accurately calculate the system-average unit costs in Phase II. If the unit costs calculated in Phase II were to more accurately account for operating costs and economies of scale as shipment size increases, then it would no longer be necessary to apply a separate make-whole adjustment in Phase III. In other words, we propose to change how certain system-average unit costs are calculated in Phase II to better reflect railroad operations and to automatically reflect economies of scale as shipment size increases. This solution would thus obviate our concerns about the step functions, properly account for economies of scale, and ultimately render more accurate system-average unit costs.

With this goal in mind, we evaluated the three categories of costs for which efficiency adjustments are made to determine what changes would be needed in order to adjust the calculation of system-average unit costs in Phase II. These categories are: (1) switching costs related to switch engine minutes; (2) equipment costs for the use of railroad-owned cars during switching; and (3) station clerical costs. After addressing each category below, we will then address several other proposed changes to further improve URCS.

Switching Costs Related to Switch Engine Minutes. This rulemaking proposes to adjust how URCS calculates the operating costs for switching cars, regardless of car ownership. These costs are referred to as “switch engine minute” (SEM) costs. Currently, in Phase II, URCS calculates SEM costs on a per-car basis, which we do not believe reflects actual railroad operations or economies of scale as shipment size increases. Instead, this rulemaking proposes to calculate SEM unit costs in Phase II on a per-shipment basis for all five types of switching accounted for by URCS, namely: (1) industry switching; (2) inter-train & intra-train (I&I) switching; (3) interchange switching; (4) intraterminal switching; and (5) interterminal switching.<sup>6</sup>

Operationally, a shipment of rail cars is generally connected into a contiguous block of cars prior to loading, and is handled as a contiguous block from origin to destination. As such, the costs to switch a shipment of a four-car block should be the same as the costs to switch a shipment of an eight-car block. For this reason, the costs for each type of SEM switching are better accounted for on a per-shipment basis rather than a per-car basis. This change would not only better reflect actual operating costs, but the per-car cost of switching would drop as shipment size increases, thus properly reflecting economies of scale. As a result, URCS would no longer need to make a separate make-whole adjustment because the operating efficiencies of larger shipments would already be reflected in the unit costs.

In order to calculate SEM unit costs on a per-shipment basis, we also propose adjusting our reporting requirements accordingly. In order to calculate the SEM unit costs on a per-shipment basis, we propose to adjust the reporting requirements of both the Annual Report of Cars Loaded and Cars Terminated (Form STB-54) and the Quarterly Report of Freight Commodity Statistics (Form QCS). Specifically, in addition to the information currently required by both forms, the Form STB-54 would require information on shipments loaded and terminated, while the Form QCS would require information on number of shipments.<sup>7</sup> For the purposes of both forms, a “shipment” would be defined as a block of one or more cars moving under the same waybill from origin to destination. See, e.g., App. A (proposed § 1248.2(a)(3)); App. B (Form STB-54 Instructions). These new requirements should not pose a significant burden on the Class I rail carriers because it is likely that they are already tracking this information. The proposed rules governing the Form STB-54 and the Form QCS are set forth in

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<sup>6</sup> Industry switching is switching that occurs at origin or destination points. I&I switching is switching that occurs at intermediate yards on a rail carrier’s own lines, as opposed to interchange switching, which occurs between different carriers. Intraterminal switching is the switching of cars within a rail terminal, and interterminal switching is the switching of cars between rail terminals.

<sup>7</sup> Because we are proposing to add information regarding number of shipments, we are also proposing to change the title of Form STB-54 to Annual Report of Cars and Shipments Originated and Terminated.

Appendix A.<sup>8</sup> Additionally, the proposed changes to the Form STB-54 and Form QCS are set out in Appendix B and C, respectively.

*Equipment Costs for the Use of Railroad-Owned Cars During Switching.* Another category of system-average unit costs associated with switching pertains to the equipment costs for the use of railroad-owned cars. Currently, URCS calculates the costs for use of railroad-owned cars on a per-car basis in Phase II, and then applies the make-whole adjustment in Phase III to account for efficiencies in multi-car and unit-train movements. We believe that these costs, which are distance- and time-related,<sup>9</sup> are properly accounted for by URCS on a per-car basis. In other words, unlike SEM switching costs, we believe a two-car shipment will incur twice the car-miles and car-days as a one-car shipment. Therefore, we propose to continue calculating equipment costs for the use of railroad-owned cars during switching on a per-car basis, which in turn requires the continued reporting of number of cars that are interchanged.

Although we propose to continue calculating these costs on a per-car basis in Phase II, this proposal nonetheless would affect a change in how these costs are applied in Phase III. Under our new proposal, which eliminates a separate make-whole adjustment in Phase III, the costs for the use of railroad-owned cars would not receive a subsequent adjustment because it does not appear that there are efficiencies associated with these costs.

*Station Clerical Costs.* This rulemaking also proposes to adjust how URCS calculates station clerical costs, which are the administrative costs associated with a shipment. Currently, in Phase II, URCS calculates station clerical costs on a per-car basis, which we are concerned

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<sup>8</sup> Because this rulemaking proposes changes to the Form QCS, we are taking this opportunity to propose a new instruction for the Form QCS related to Rule 11 movements, as the current instructions are silent on these types of movements. The proposed instruction, which would be located at 49 C.F.R. § 1248.4(o), is also set forth in Appendix A.

Additionally, we are making certain other modifications to update and clarify the existing regulations in 49 C.F.R. pts. 1247 and 1248 (subpart A), which govern the Form STB-54 and Form QCS, respectively. Consistent with the goals announced in Improving Regulation and Regulatory Review, EP 712, which seeks to ensure that existing regulations are current and effective, we seek comment on whether the Board could improve or update other language in pts. 1247 and 1248 (subpart A). We do not, however, plan to address the car types listed in the Form STB-54 in this rulemaking. Any updates to the car types would be addressed in a separate rulemaking examining car types across all of our reporting requirements.

<sup>9</sup> In other words, the costs for using a railroad-owned car are based both on the distance it travels and the time it is being used during the switching process. For example, if a railroad-owned car travels two miles during an interchange switch, but is held at the interchange for three days, the costs for use of that car will be based both on the two-miles it traveled and the three-days it was held.

does not properly reflect actual railroad operations or economies of scale. We believe that, operationally, there is little difference in the administrative costs between shipments of different sizes. As such, we propose to also calculate station clerical costs in Phase II on a per-shipment basis. To implement this change, we would rely on the proposed changes to the Form QCS and the Form STB-54 described above, wherein Class I railroads would be required to report on the number of shipments. See supra at 5.

*Other Changes.* In addition to the above changes to how URCS calculates system-average unit costs in Phase II, we also propose additional changes that would further our effort to more accurately calculate costs under URCS.

*Car-Mile Costs.* In order to calculate car-mile costs, URCS currently uses what is referred to as the Empty/Loaded Ratio (E/L Ratio) to adjust the number of miles in a particular movement. The E/L Ratio is used when costing all movements because, although there are costs associated with both empty miles and loaded miles, URCS only requires a user to input loaded miles to cost a movement. Thus, to account for the costs of a carrier's total miles, URCS multiplies loaded miles by the E/L Ratio. The E/L Ratio, which can be described as total miles divided by loaded miles, is a figure computed by URCS based on data supplied by the Class I carriers.

Currently, in Phase III, URCS uses the E/L Ratio for single-car and multi-car movements. For trainload movements, however, URCS replaces the E/L Ratio with the figure 2.0, which is meant to assume that a loaded car will return to its origination location, such that empty miles are equal to loaded miles. In other words, URCS treats all trainload movements as dedicated unit trains. Currently, if a rail carrier's E/L Ratio is less than 2.0 (i.e., there are fewer empty miles and thus more efficiencies), URCS will disregard that more efficient E/L ratio and apply the less efficient value of 2.0.<sup>10</sup>

We believe that the E/L Ratio computed from data supplied by the carriers is the best reflection of a railroad's actual operations and that it should not be replaced by the figure 2.0 in the case of a trainload movement. Therefore, we propose to adjust URCS so that it would apply

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<sup>10</sup> A trainload movement's E/L ratio might be greater or less than 2.0 for a variety of reasons, including whether the shipment at issue is moved in railroad-owned cars or privately-owned cars. In the case of the former, where the rail carrier typically controls the movement of its cars across its network, a shipment may travel from point A (loading origin) to point B (unloading destination) to point C (next loading origin). If point C is closer to point B than point A, then the E/L Ratio would be less than 2.0. If, however, point C is farther from point B than point A, then the E/L Ratio would be greater than 2.0. This is in contrast to, for example, the latter case involving a unit train of privately-owned cars that cycles between point A and point B, such that the movement's E/L Ratio would be equal to 2.0.

the E/L Ratio to all types of movements. With this change, URCS would no longer treat all trainload movements as unit trains, but would instead reflect unit train service only to the extent that such service is indicated by the E/L Ratio.

*I&I Switching Mileage.* Currently, URCS assumes that single-car and multi-car shipments receive I&I switching every 200 miles. A number of years ago, the Board noted that this figure appeared to be outdated. Review of Gen. Purpose Costing Sys., EP 431 (Sub-No. 2), slip op. at 5 n.18 (STB served Oct. 1, 1997). We now propose to update this figure to reflect the fact that, since the mergers of the 1990s, the average length of haul on individual railroads has increased. Based on a comparison of the average length of haul for the Class I railroads in 1990 (pre-mergers) and 2011 (post-mergers), we observed a 60% increase in the overall length of haul. We therefore propose to increase the distance between I&I switches by 60%, from 200 miles to 320 miles. We acknowledge that the actual average distance between I&I switches may be greater than 320 miles, and we encourage interested parties to submit data and comments on whether 60% is an appropriate increase, or whether the Board should consider an alternative distance between I&I switches that more accurately reflects railroad operations.

*Definition of Trainload.* Under this proposal to eliminate a separate make-whole adjustment in Phase III, URCS would no longer make percentage reductions in Phase III based on the number of cars per movement. As such, the distinction between single-car and multi-car would become largely irrelevant. The definition of trainload would, however, continue to play a role, despite the fact that the E/L Ratio would no longer be adjusted exclusively for trainload movements under our proposal, because URCS assumes that trainload movements receive no I&I switching. In other words, when distinguishing movements based on the number of cars per movement, the operative distinctions under our proposal would be “trainload” and “non-trainload.” It is, therefore, appropriate to consider the proper definition of trainload.

A trainload shipment is currently defined as a shipment consisting of 50 or more cars. Also inherent in the definition of trainload is the fact that a trainload shipment constitutes the only shipment on the particular train on which it moves. We propose to increase the number of cars in a trainload movement to account for the fact that train lengths have increased over the years due to a variety of factors, including higher horsepower engines and advances in distributive power. By way of example, today it is not unusual for a carrier to move 100 cars or more in one train, which is double the figure at which trainload is currently defined. If the railroads can routinely move two 50-car shipments on one train, then the current definition of trainload is likely inadequate, as a trainload movement is supposed to constitute the only shipment on the train.

Therefore, we propose to define trainload as consisting of 80 cars or more. The 80-car figure appears appropriate because the shipment size is large enough that rail carriers do not



routinely move two 80-car shipments on one train.<sup>11</sup> In other words, an 80-car shipment is likely to be the minimum size shipment that a carrier would move as a single train, consistent with the definition of trainload where only one shipment is on a train. A survey of the 2011 Waybill Sample, which is the most recently available data and thus the best reflection of current railroad operations, reveals that, for shipment sizes between 50 and 90, there is a higher occurrence of 80-car movements than any other shipment size. This suggests that 80 cars may be an appropriate definition for trainload. Nevertheless, we encourage interested parties to submit data or comments on whether the Board should adopt the proposed definition or consider an alternate figure in defining trainload.

*Locomotive Unit-Mile.* Finally, this rulemaking proposes to adjust the locomotive unit-mile (LUM) cost allocation. Currently, the LUM cost allocation produces a third step function between multi-car and trainload shipments, such that the LUM costs assigned to a 49-car shipment (the maximum multi-car shipment under the current definition) are higher than the costs assigned to a 50-car shipment (the minimum number of cars under the current definition of trainload). The total locomotive unit-miles are calculated by multiplying the total distance of a movement by the average number of locomotives for a particular type of train. Because a single-car or multi-car shipment (i.e., non-trainload) should only incur a portion of the LUM costs for the entire train, as that train will contain other shipments, URCS allocates the LUM costs of the train to a shipment based on the gross tons of that shipment compared to the average gross tons of that entire train.<sup>12</sup>

We therefore propose two modifications to how URCS currently allocates LUM costs. First, the entire train's LUM costs would be allocated to the trainload shipment, regardless of the gross tons of the trainload shipment relative to the average gross tons of a particular train. This should be more accurate than the current approach because, by definition, a trainload shipment has no other shipments that should share the LUM costs of that train.

Second, the allocation of LUM costs for single and multi-car shipments would be based on the number of cars in the shipment relative to the minimum number of cars in a trainload shipment, which, as described above, we propose to be 80 cars. For example, a 20-car shipment would be allocated 25% (20/80) of the LUM costs.<sup>13</sup> While the current allocation of LUM costs

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<sup>11</sup> Based on a review of the 2011 Waybill Sample, the most frequently occurring shipment size between 100 cars and 160 cars is 135 cars. These 135-car shipments represent a typical maximum train length for what is usually the longest train movement—unit coal trains.

<sup>12</sup> The average gross tons for different types of trains are calculated by dividing gross ton-miles by train-miles, both of which are reported by carriers in Schedule 755 of the R-1 annual reports.

<sup>13</sup> Because we also propose to modify the definition of trainload from 50 or more cars to 80 or more cars, the prorated share of LUM costs assigned to non-trainloads will be less than  
(continued . . . )

to single and multi-car shipments is based on the gross tons of the shipment relative to the average gross tons of way trains and through trains, basing the allocation on the number of cars in the shipment should be sufficiently precise, particularly if most cars are homogeneously loaded at or near the maximum weight. Moreover, whenever practical, we seek a smooth cost function, such that there is no large cost discrepancy between a 79-car multi-car movement and an 80-car trainload movement. Basing this allocation on the number of cars in the shipment should assign LUM costs consistently on a prorated share of the total LUM costs and produce a smooth cost function across all shipment sizes, including trainload shipments.

### Conclusion

We believe that the proposed modifications to URCS described above would produce more accurate costs and would more accurately reflect the current state of rail industry operations. We also believe that the modifications to our reporting requirements, which update the existing regulations and add additional reporting requirements in order to implement the proposed changes to URCS, would not impose a significant burden on the railroads. We therefore invite public comment on each of the proposals described herein.

### Regulatory Flexibility Act

The Regulatory Flexibility Act of 1980 (RFA), 5 U.S.C. §§ 601-612, generally requires a description and analysis of new rules that would have a significant economic impact on a substantial number of small entities. In drafting a rule, an agency is required to: (1) assess the effect that its regulation will have on small entities; (2) analyze effective alternatives that may minimize a regulation's impact; and (3) make the analysis available for public comment. 5 U.S.C. §§ 601-604. In its notice of proposed rulemaking, the agency must either include an initial regulatory flexibility analysis, § 603(a), or certify that the proposed rule would not have a "significant impact on a substantial number of small entities," § 605(b).

Because the goal of the RFA is to reduce the cost to small entities of complying with federal regulations, the RFA requires an agency to perform a regulatory flexibility analysis of small entity impacts only when a rule directly regulates those entities. In other words, the impact must be a direct impact on small entities "whose conduct is circumscribed or mandated" by the proposed rule. White Eagle Coop. Ass'n v. Conner, 553 F.3d 467, 478, 480 (7th Cir. 2009). An agency has no obligation to conduct a small entity impact analysis of effects on entities that it does not regulate. United Dist. Cos. v. FERC, 88 F.3d 1105, 1170 (D.C. Cir. 1996).

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( . . . continued)

under the current definition of trainload. For example, under the current definition of trainload, a 10-car shipment would be assigned the prorated costs of 10 cars out of 50, whereas under our proposed definition, a 10-car shipment would be assigned the prorated costs of 10 cars out of 80.

This proposal will not have a significant economic impact upon a substantial number of small entities, within the meaning of the RFA. The reporting requirements that we are proposing here are applicable only to Class I rail carriers, which, under the Board's regulations, have annual carrier operating revenues of \$250 million or more in 1991 dollars. Class I carriers generally do not fall within the Small Business Administration's definition of a small business for the rail transportation industry. The purpose of our changes to URCS is to improve the Board's general purpose costing system, which is used to develop regulatory cost estimates for rail carriers. These changes will result in more accurate estimates of variable costs. Therefore, the Board certifies under 49 U.S.C. § 605(b) that this proposed rule, if promulgated, will not have a significant economic impact on a substantial number of small entities within the meaning of the RFA.

#### Paperwork Reduction Act

Pursuant to the Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501-3549, and Office of Management and Budget (OMB) regulations at 5 C.F.R. § 1320.8(d)(3), the Board seeks comments regarding: (1) whether each of the collections of information (the Form QCS and the Form STB-54), as modified in the proposed rules and further described in Appendix D, is necessary for the proper performance of the functions of the Board, including whether the collection has practical utility; (2) the accuracy of the Board's burden estimates; (3) ways to enhance the quality, utility, and clarity of the information collected; and (4) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology, when appropriate. The modified collections in this proposed rule will be submitted to OMB for review as required under 44 U.S.C. § 3507(d) and 5 C.F.R. § 1320.11.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

#### It is ordered:

1. The Board proposes to adjust URCS and to amend its rules as detailed in this decision. Notice of this decision and the proposed rules will be published in the Federal Register.
2. Comments are due by March 21, 2013; replies are due by April 22, 2013.
3. A copy of this decision will be served upon the Chief Counsel for Advocacy, Office of Advocacy, U.S. Small Business Administration.
4. This decision is effective on its service date.

By the Board, Chairman Elliott, Vice Chairman Begeman, and Commissioner Mulvey.

**APPENDIX A**  
**Proposed Changes to Code of Federal Regulations**

For the reasons set forth in the preamble, the Surface Transportation Board proposes to amend parts 1247 and 1248 of title 49, chapter X, of the Code of Federal Regulations as follows:

1. Revise part 1247 to read as follows:

**PART 1247—REPORT OF CARS AND SHIPMENTS LOADED AND TERMINATED**

Authority: 49 U.S.C. 721, 10707, 11144, 11145.

**§ 1247.1 Annual Report of Cars and Shipments Originated and Terminated.**

Each Class I railroad shall file Form STB-54, Annual Report of Cars and Shipments Originated and Terminated, together with the accompanying certification, with the Office of Economics, Surface Transportation Board, Washington, DC 20423, within 90 days after the end of the reporting year. Blank forms and instructions are available on the Board's website (<http://www.stb.dot.gov>) or can be obtained by contacting the Office of Economics.

**PART 1248—FREIGHT COMMODITY STATISTICS**

2. The authority citation for part 1248 continues to read as follows:

Authority: 49 U.S.C. 721, 11144 and 11145.

3. Revise the note to part 1248 to read as follows:

Note: The report forms prescribed by part 1248 are available upon request from the Office of Economics, Surface Transportation Board, Washington, DC 20423-0001.

4. Amend § 1248.2 by revising paragraph (a)(2) and by adding paragraph (a)(3) to read as follows:

**§ 1248.2 Items to be reported.**

(a) \* \* \*

(1) \* \* \*

(2) For each commodity code used in reporting, except that the number of carloads for commodity code 431, "Small packaged freight shipments," shall be omitted, the following items:

Revenue freight originating on respondent's road:

Terminating on line:

Number of carloads.

Number of tons (2,000 pounds).

Number of shipments.  
Delivered to connecting rail carriers:  
Number of carloads.  
Number of tons (2,000 pounds).  
Number of shipments.  
Revenue freight received from connecting rail carriers:  
Terminating on line:  
Number of carloads.  
Number of tons (2,000 pounds).  
Number of shipments.  
Delivered to connecting rail carriers:  
Number of carloads.  
Number of tons (2,000 pounds).  
Number of shipments.  
Total revenue freight carried:  
Number of carloads.  
Number of tons (2,000 pounds).  
Number of shipments.  
Gross freight revenue.

(3) For the purpose of reporting number of shipments under this section, a *shipment* is defined as a block of one or more cars moving under the same waybill from origin to destination.

5. Revise § 1248.3 to read as follows:

**§ 1248.3 Carload and L.C.L. traffic defined.**

(a) Commodity codes 01 through 422 and 44 through 462, named in § 1248.101, shall include only carload traffic. All carloads weighing less than 10,000 pounds shall be included in commodity code 431, "Small packaged freight shipments."

(b) A *carload* for the purpose of this order shall consist of a carload of not less than 10,000 pounds of one commodity. A mixed carload for the purpose of this order shall be treated as a carload of that commodity which forms the majority of the weight. If a single shipment is loaded into more than one car, each car used shall be reported as a carload. If more than one *carload* shipment is loaded into one car, each shipment shall be reported separately as a carload.

6. Amend § 1248.4 by revising paragraphs (a), (b), (d), (e), and (l); and by adding paragraph (o) to read as follows:

**§ 1248.4 Originating and connecting line traffic.**

(a) Revenue freight reported as *received from connecting rail carriers* shall include all carloads and shipments received from connecting rail carriers, either directly or indirectly, so far as apparent from information on the waybills or abstracts.

(b) Revenue freight reported as *originating on respondent's road* shall include carloads and shipments originating on line and carloads and shipments received from water lines and highway motor truck lines, except when identified as having had previous rail transportation, as provided in paragraph (a) of this section.

(c) \* \* \*

(d) Revenue freight reported as *delivered to connecting rail carriers* shall include carloads and shipments delivered to connecting rail carriers, either directly or indirectly, as far as apparent from information on waybills or abstracts.

(e) Revenue freight reported as *terminating on respondent's road* shall include carloads and shipments terminating on line and carloads and shipments delivered to water lines and highway motor truck lines, except when identified as to receive further rail transportation as provided in paragraph (d) of this section.

(f) \* \* \*

(g) \* \* \*

(h) \* \* \*

(i) \* \* \*

(j) \* \* \*

(k) \* \* \*

(l) Freight accorded transit privileges shall be reported as "originated on respondent's road" at the transit point, even though the outbound carload(s) or shipment may move under transit balances or proportional rates.

(m) \* \* \*

(n) \* \* \*

(o) Rail carriers originating a Rule 11 traffic movement shall report the movement as *originated and forwarded*. Rail carriers receiving a Rule 11 traffic movement and completing the movement to final destination shall report the movement as *received and terminated*. Rail carriers receiving a Rule 11 traffic movement and forwarding the movement to another rail carrier shall report the movement as *forwarded or received*.

7. Remove the note to § 1248.5.

8. Revise § 1248.5(a) to read as follows:

**§ 1248.5 Report forms and date of filing.**

(a) Reports required from Class I carriers by this section shall be filed in duplicate with the Office of Economics, Surface Transportation Board, Washington, DC 20423, on forms which will be furnished to the carriers. Data required under § 1248.2 shall be filed on Form QCS on or before the 60th day succeeding the close of the period for which they are compiled.

\* \* \* \* \*

9. Revise § 1248.6 to read as follows:

**§ 1248.6 Public inspection—railroad reports.**

The individual commodity statistics reports of Class I railroads, required to be filed under the terms of § 1248.1, will be open for public inspection. Such required commodity statistics reports, however, to the extent that they involve traffic of less than three shippers, reportable in one of the commodity reporting classes, may be excluded from a railroad's regular freight commodity statistics report and filed in a supplemental report which will not be open for public inspection, except that access to supplemental reports may be given upon approval by the Board.

## APPENDIX B

### Proposed Form STB-54

#### SURFACE TRANSPORTATION BOARD

#### ANNUAL REPORT OF CARS AND SHIPMENTS ORIGINATED AND TERMINATED (FORM STB-54)

OMB CLEARANCE NO. 2140-0011  
Expiration Date: 08-31-2015

Total car originations and terminations and total shipment originations and terminations, by type of car,  
revenue and non-revenue freight in revenue cars separated between railroad and private cars.

RAILROAD: \_\_\_\_\_

For year ending December 31, 20\_\_\_\_

SECTION A: Cars Originated-on-Line				SECTION B: Cars Terminated-on-Line			
Freight Car Types (see instructions)	Total Cars Originated Revenue and Non-Revenue Freight			Freight Car Types (see instructions)	Total Cars Terminated Revenue and Non-Revenue Freight		
	Railroad Cars (A1)	Private Cars (A2)	Total Cars Originated (A3)		Railroad Cars (B1)	Private Cars (B2)	Total Cars Terminated (B3)
1. PLAIN 40 FT. BOX				1. PLAIN 40 FT. BOX			
2. PLAIN 50-59FT LESS 11FT DR				2. PLAIN 50-59FT LESS 11FT DR			
3. PLAIN 50-59FT OVER 11FT DR				3. PLAIN 50-59FT OVER 11FT DR			
4. PLAIN 60 FT OR LONGER				4. PLAIN 60 FT OR LONGER			
5. TOTAL PLAIN BOX				5. TOTAL PLAIN BOX			
6. ALL EQUIPPED BOX				6. ALL EQUIPPED BOX			
7. TOTAL ALL BOX				7. TOTAL ALL BOX			
8. COVERED HOPPERS UNDR 4000CU				8. COVERED HOPPERS UNDR 4000CU			
9. COVERED 4000CU & OVER				9. COVERED 4000CU & OVER			
10. TOTAL COVERED HOPPERS				10. TOTAL COVERED HOPPERS			
11. INSULATED EQUIPPED BOX				11. INSULATED EQUIPPED BOX			
12. REFRIGERATORS - NON-MECH				12. REFRIGERATORS - NON-MECH			
13. REFRIGERATORS - MECHANICAL				13. REFRIGERATORS - MECHANICAL			
14. TOTAL REFRIGERATORS				14. TOTAL REFRIGERATORS			
15. PLAIN GONDOLAS UNDER 61 FT.				15. PLAIN GONDOLAS UNDER 61 FT.			
16. PLAIN GONDOLAS 61 OR LONGER				16. PLAIN GONDOLAS 61 OR LONGER			
17. GT 36 FT AND OVER				17. GT 36 FT AND OVER			
18. EQUIPPED GONDOLAS				18. EQUIPPED GONDOLAS			
19. TOTAL GONDOLAS				19. TOTAL GONDOLAS			
20. HOPPERS (GENERAL SERVICE)				20. HOPPERS (GENERAL SERVICE)			
21. HOPPERS (SPECIAL SERVICE)				21. HOPPERS (SPECIAL SERVICE)			
22. TOTAL HOPPERS				22. TOTAL HOPPERS			
23. FLATS - (GENERAL SERVICE)				23. FLATS - (GENERAL SERVICE)			
24. FLATS - MULTI-LEVEL (FA)				24. FLATS - MULTI-LEVEL (FA)			
25. FLATS - TOFC-COFC (FC, FCA)				25. FLATS - TOFC-COFC (FC, FCA)			
26. FLATS - OTHER				26. FLATS - OTHER			
27. TOTAL FLATS				27. TOTAL FLATS			
28. TOTAL TANKS				28. TOTAL TANKS			
29. ALL OTHERS				29. ALL OTHERS			
30. GRAND TOTAL				30. GRAND TOTAL			



## FORM STB-54 (CONTINUED)

RAILROAD: \_\_\_\_\_

For year ending December 31, 20\_\_\_\_

SECTION C: Shipments Originated-on-Line				SECTION D: Shipments Terminated-on-Line			
Freight Car Types (see instructions)		Total Shipments Originated Revenue and Non-Revenue Freight		Freight Car Types (see instructions)		Total Shipments Terminated Revenue and Non-Revenue Freight	
	Shipments in Railroad Cars (C1)	Shipments in Private Cars (C2)	Total Shipments Originated (C3)		Shipments in Railroad Cars (D1)	Shipments in Private Cars (D2)	Total Shipments Terminated (D3)
1.PLAIN 40 FT. BOX				1.PLAIN 40 FT. BOX			
2.PLAIN 50-59FT LESS 11FT DR				2.PLAIN 50-59FT LESS 11FT DR			
3.PLAIN 50-59FT OVER 11FT DR				3.PLAIN 50-59FT OVER 11FT DR			
4.PLAIN 60 FT OR LONGER				4.PLAIN 60 FT OR LONGER			
5.TOTAL PLAIN BOX				5.TOTAL PLAIN BOX			
6.ALL EQUIPPED BOX				6.ALL EQUIPPED BOX			
7.TOTAL ALL BOX				7.TOTAL ALL BOX			
8.COVERED HOPPERS UNDR 4000CU				8.COVERED HOPPERS UNDR 4000CU			
9.COVERED 4000CU & OVER				9.COVERED 4000CU & OVER			
10.TOTAL COVERED HOPPERS				10.TOTAL COVERED HOPPERS			
11.INSULATED EQUIPPED BOX				11.INSULATED EQUIPPED BOX			
12.REFRIGERATORS - NON-MECH				12.REFRIGERATORS - NON-MECH			
13.REFRIGERATORS - MECHANICAL				13.REFRIGERATORS - MECHANICAL			
14.TOTAL REFRIGERATORS				14.TOTAL REFRIGERATORS			
15.PLAIN GONDOLAS UNDER 61 FT.				15.PLAIN GONDOLAS UNDER 61 FT.			
16.PLAIN GONDOLAS 61 OR LONGER				16.PLAIN GONDOLAS 61 OR LONGER			
17.GT 36 FT AND OVER				17.GT 36 FT AND OVER			
18.EQUIPPED GONDOLAS				18.EQUIPPED GONDOLAS			
19.TOTAL GONDOLAS				19.TOTAL GONDOLAS			
20.HOPPERS (GENERAL SERVICE)				20.HOPPERS (GENERAL SERVICE)			
21.HOPPERS (SPECIAL SERVICE)				21.HOPPERS (SPECIAL SERVICE)			
22.TOTAL HOPPERS				22.TOTAL HOPPERS			
23.FLATS - (GENERAL SERVICE)				23.FLATS - (GENERAL SERVICE)			
24.FLATS - MULTI-LEVEL (FA)				24.FLATS - MULTI-LEVEL (FA)			
25.FLATS - TOFC-COFC (FC, FCA)				25.FLATS - TOFC-COFC (FC, FCA)			
26.FLATS - OTHER				26.FLATS - OTHER			
27.TOTAL FLATS				27.TOTAL FLATS			
28.TOTAL TANKS				28.TOTAL TANKS			
29.ALL OTHERS				29.ALL OTHERS			
30.GRAND TOTAL				30.GRAND TOTAL			

## FORM STB-54 INSTRUCTIONS

### SECTION A: CARS ORIGINATED

Section A covers each time a revenue freight car (railroad or private) is loaded at origination with either revenue or non-revenue commodities. The types of cars to be included are listed below by mechanical designations, car type codes, and appropriate line code.

1. Report total number of cars loaded for initial road haul on your railroad, by types, separated between loads in railroad cars and loads in private cars, during the year ended at midnight December 31, including cars received under load from dependent short lines; also including company material of reporting road or other non-revenue freight when loaded in revenue cars. Cars loaded with empty trailers or containers, twenty (20) feet or over in length, should be included.
2. Cars loaded in switching service for initial road haul movement by connections to be reported by the road haul carrier performing the billing of the cars.
3. Cars loaded for intra- or inter-terminal switch movement only (no road haul) to be reported by the loading road.

### SECTION B: CARS TERMINATED

Report total number of loads terminated on line, by types, separated between railroad cars and private cars, during the last calendar year ending at midnight December 31, including cars delivered to dependent short lines for unloading; also company material of reporting road or other non-revenue commodities when unloaded from revenue cars. Count should include cars from which empty piggyback trailers or containers, twenty (20) feet or over in length, are unloaded. Loaded cars delivered to a connection for switch delivery which received final road haul on your railroad should be reported as terminated on your line. Conversely, loaded cars which you receive from a connection for switch delivery should not be reported as terminated on your line. All loads which you originate in switch service for intra- and inter-terminal switch delivery should, also, be reported as terminated on your line.

### SECTION C: SHIPMENTS ORIGINATED

Section C covers each time a revenue shipment (in railroad or privately owned equipment) is loaded at origination with either revenue or non-revenue commodities. For the purpose of this form, a shipment is defined as a block of one or more cars moving under the same waybill from origin to destination. The types of cars to be included are listed below by mechanical designations, car type codes, and appropriate line code.

1. Report total number of shipments loaded for initial road haul on your railroad, by types, separated between shipments in railroad cars and shipments in private cars, during the year ended at midnight December 31, including shipments received under load from dependent short lines; also including company material of reporting road or other non-revenue freight when loaded in revenue cars. Shipments loaded with empty trailers or containers, twenty (20) feet or over in length, should be included.
2. Shipments loaded in switching service for initial road haul movement by connections to be reported by the road haul carrier performing the billing of the shipments.
3. Shipments loaded for intra- or inter-terminal switch movement only (no road haul) to be reported by the loading road.

### SECTION D: SHIPMENTS TERMINATED

Report total number of shipments terminated on line, by types, separated between shipments moving in railroad cars and private cars, during the last calendar year ending at midnight December 31, including shipments delivered to dependent short lines for unloading; also company material of reporting road or other non-revenue commodities when unloaded from revenue cars. Count should include shipments from which empty piggyback trailers or containers, twenty (20) feet or over in length, are unloaded. Shipments delivered to a connection for switch delivery which received final road haul on your railroad should be reported as terminated on your line. Conversely, shipments which you receive from a connection for switch delivery should not be reported as terminated on your line. All shipments which you originate in switch service for intra- and inter-terminal switch delivery should, also, be reported as terminated on your line.

## TYPES OF REVENUE CARS REPORTED ON FORM STB-54

Report on Form Line	Mechanical Designation and Description	AAR Equipment Type Codes
<b>BOX</b>		
1	Plain 40' XM, XMI - Less than 49' Inside Length	B1_ _ , B2_ _
2	Plain 50' Narrow Door XM, XMI - 49' and Less than 59' Inside Length (less than 11' Door Opening)	B3_(0-4), B4_(0-4)
3	Plain 50' Wide Door XM, XMI - 49' and Less than 59' Inside Length (11' and over Door Opening)	B3_(5-7), B4_(5-7)
4	Plain 60' or Longer XM, XMI - 59' or Longer Inside Length	B(5-8)_ _
6	Equipped Box - XF, XL (except XLI), XP (except XPI)	A_0_ , A_2_ , A_3_
<b>COVERED HOPPERS</b>		
8	Under 4,000 Cubic Feet LO, HTR (with UMLER Fitting Code FC) - Under 4,000 Cubic Feet	C_ _1, C_ _2
9	4,000 Cubic Feet and Over LO, HTR (with UMLER Fitting Code FC) - 4,000 Cubic Feet and Over	C_ _3, C_ _4
<b>REFRIGERATORS</b>		
11	Insulated Equipped Box - XLI, XPI	A_1_ , A_4_
12	Non-Mechanical - RB, RBL	R_0_ , R_1_
13	Mechanical -- RC, RP, RPL	R_(6-7)_ , R_9_
<b>GONDOLAS</b>		
15	Under 61' - GA, GB, GD, GH, GS: Under 61' Inside Length	G(1-5)_ _
16	61' or Longer - GA, GB, GD, GH, GS: 61' or Longer Inside Length	G(6-7)_ _
17	GT 36' or Longer Inside Length	J_ _ (1-4)
18	Equipped - GBR, GBS, GBSR, GDS, GSS, GTR, GTS, GWS, GWSR	E_ _ _
<b>HOPPERS</b>		
20	General Service - HFA, HK, HM, HT, HTA	H_ _ _
21	Special Service - GT - Less than 36' Inside Length (Ore Jenny Cars), HKR, HKS, HMA, HMR, HMS, HMSR, HTR, HTS, HTSR	J_ _0, K_ _ _
<b>FLATS</b>		
23	General Service FM (Load Limit of Less than 200,000 lbs.)	F(1-3)0_
24	Multi-Level - FA	V_ _ _
25	TOFC/COFC - FC, FCA	P_ _ _ , Q_ _ _ (except Q8_ _ ), and S_ _ _
26	Other Class "F" except "FL" - FB, FBC, FBS, FD, FDC, FMS, FW, FM (Load Limit of 200,000 lbs. and Over)	F_(1-6)_ , F_(8-9)_ , F40_
<b>TANKS</b>		
28	Tank - T, XT	T_ _ _
<b>ALL OTHERS</b>		
29	All Others	All Other Codes

## Notes:

1. Maintenance-of-way cars used as revenue equipment to be included with revenue cars of corresponding class.
2. Skeleton log flats used permanently in local log service are to be included with "All Others," but general service flat cars equipped for temporary log service should be included with general service flat cars.
3. Do not include: caboose cars, ballast or other cars permanently assigned to non-revenue service.

SURFACE TRANSPORTATION BOARD			
QUARTERLY REPORT OF FREIGHT COMMODITY STATISTICS			
(FORM C-2)			
CARRIERS SHIPMENTS	REVENUE FREIGHT RECEIVED FROM CONNECT		
	CARLOADS	TERMINATING ON LINE TONS	SHIPMENTS CARLOADS
			DELIVERED

ONB Clearance No. 2140-001  
Expiration Date 08-31-2015

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CODE	DESCRIPTION	REVENUE FREIGHT ORIGINATING ON RECEIVING TARIFFS				REVENUE FREIGHT RECEIVED FROM SHIPPIING CARRIERS				TOTAL REVENUE FREIGHT CARRIED			
		TERMINATING ON LINE		DELIVERED TO CONNECTING CARRIERS		TERMINATING ON LINE		DELIVERED TO CONNECTING CARRIERS		TOTAL		REVENUE DOLLARS	
		CARLOADS	TONS	SHIPMENTS	CARLOADS	TONS	SHIPMENTS	CARLOADS	TONS	SHIPMENTS	CARLOADS	TONS	SHIPMENTS
0151	LIVE POLTRY												
0152	POULTRY												
019	MISC FARM PRODUCTS												
0191	HORTICULTURAL SPEC												
0192	ANIMAL SPECIALTIES												
08	FOREST PRODUCTS												
084	LOGS & BARKS CRUDE												
0841	LOGS & BARKS CRUDE												
086	MISC FOREST PROD												
88	FISH & MARINE PRO												
881	FISH & MARINE PRO												
8812	FISHWHALE PRO PRZ												
88131	SHELLS												
888	FISH MATCHES												
10	METALLIC ORES												
101	IRON ORES												
1011	IRON ORES CRUDE												
102	COPPER ORES												
103	LEAD & ZINC ORES												
1031	ZINC ORES												
104	GOLD & SILVER ORES												
106	BAUTALUMIN ORES												
107	TUNGSTEN ORES												
108	CHROMIUM ORES												
109	MISC METAL ORES												
11	COAL												
111	ANTHRACITE												
1111	ANTHRACITE CRUDE												
1112	CLEANERED ANTHRAC												
1121	BITUMINOUS COAL												
13	PETROLIAT GASOLIN												
131	PETROLIAT GASOLIN												
132	NATURAL GASOLINE												
14	NONMETAL MINERALS												
141	DRY STONE QUARRY												
142	CRUSHED STONE												
1421	AGRICULT LIMESTONE												
1422	FLUING STONE LIME												
143	CLAY												
144	SAND AND GRAVEL												
1441	SAND (AGGREGATES)												
1442	GRAVEL (AGGREGATES)												
1443	CRUSHED STONE												
1444	CLAY CERAMIC REFRA												
145	BENTONITE CRUDE												
1451	BENTONITE CRUDE												
1452	BENTONITE CRUDE												
1453	BENTONITE CRUDE												
1454	BENTONITE CRUDE												
1455	BENTONITE CRUDE												
1456	BENTONITE CRUDE												
1457	BENTONITE CRUDE												
1458	BENTONITE CRUDE												
1459	BENTONITE CRUDE												
146	CLAY CERAMIC REFRA												
1461	BENTONITE CRUDE												
1462	BENTONITE CRUDE												
1463	BENTONITE CRUDE												
1464	BENTONITE CRUDE												
1465	BENTONITE CRUDE												
1466	BENTONITE CRUDE												
1467	BENTONITE CRUDE												
1468	BENTONITE CRUDE												
1469	BENTONITE CRUDE												
147	CHEMICAL MINERALS												
1471	BARITE CRUDE												
1472	BARITE CRUDE												
1473	BARITE CRUDE												
1474	APATITE PHOSPHATE												
1475	ROCK SALT CRUDE												

CODE	DESCRIPTION	REVENUE FREIGHT ORIGINATING ON RESPONDENT'S BALANCE				REVENUE FREIGHT RECEIVED FROM CONNECTING CARRIERS				TOTAL REVENUE FREIGHT CARRIED				GROSS FREIGHT REVENUE DOLLARS
		TERMINATING ON LINE		DELIVERED TO CONNECTING CARRIERS		TERMINATING ON LINE		DELIVERED TO CONNECTING CARRIERS		TOTAL		GROSS		
		CALCULATED	1989	SHIPMENTS	CALCULATED	1989	SHIPMENTS	CALCULATED	1989	SHIPMENTS	CALCULATED	1989	SHIPMENTS	
14719	SALT-HALF CUBE													
148	MISC NONMETALLIC MIN													
149	ASPHALT													
14913	ASPHALT AND BITUME													
14914	PLUMICE PLUMCITE													
19	ORDNANCE ACCESSORI													
191	GUNS/HOWITZ MORTAR													
192	AMMUNITION 30 MM													
193	COPIER/PHOTOCOPIERS													
194	SOFTFIRE EIGHT													
195	SMALL ARMS 30 MM													
196	SMALL ARMS 30 MM													
199	MISC ORDNANCE													
20	FOOD/NOODLED PROD													
201	MEAT / FRESH/CHILLED													
2011	MEAT / FRESH/CHILLED													
2012	MEAT / FRESH/FROZEN													
2013	MEAT / FRESH/VEGETE													
2014	ANIMAL BY PRODUCTS													
20141	HIDES SKINS/PELTS													
2016	DRESSED POLYMER FRESH													
20161	DRESSED POLYMER FRESH													
2017	PROCESSED POLITRY													
202	DAIRY PRODUCTS													
2021	DAIRY PRODUCTS													
2022	CONDENSED MILK													
2023	CONDENSED EVAP MILK													
2024	ICE CREAM/FROZ DRESS													
2025	WHESS/DAIRY PROD													
2026	WHESS/DAIRY PROD													
2028	CAN FRUITS VEG/SEA F													
203	CAN FRUITS VEG/SEA F													
2031	CANNED CORN/SEA F													
2032	CANNED CORN/SEA F													
2033	CAN FRUITS VEGETE													
2034	DRIED FRUIT/VEGETE													
2035	DRIED FRUIT/VEGETE													
2036	FRESH/FROZEN FISH													
2037	FRESH FRUITS JUICE													
2038	FROZEN BREAD/CAK													
2039	DAIRY/SEAFOOD/VEGE													
204	GRAIN MILL PROD													
2041	FLOUR/GRAN MILL													
20411	WHEAT FLOUR													
20412	WHEAT FLOUR													
20421	PREP ANIMAL FEED													
2044	SEEDS/VEGETATION													
20441	RICE FLOUR/MILL													
2046	BLENDED/RYE FLOUR													
20461	CORN STARCH													
20462	CORN STARCH													
20463	DOCT/STARCH CAN													
2047	CANNED DOG CAT FD													
208	BAKERY PRODUCTS													
2081	BAKERY PRODUCTS													
2091	SUGAR MILL PROD													
20911	RAW CANE/BEET SUGAR													
20916	SUGAR W/LOSSSES													

[illegible]

[illegible]



CODE	DESCRIPTION	REVENUE FREIGHT ORIGINATING ON RESPONDENT'S RAILROAD				REVENUE FREIGHT RECEIVED FROM CONNECTING CARRIERS				TOTAL REVENUE FREIGHT CARRIED				GROSS FREIGHT REVENUE DOLLARS
		CARLOADS	TONS	SHIPMENTS		CARLOADS	TONS	SHIPMENTS		CARLOADS	TONS	SHIPMENTS		
2428	MISC SAWMILL													
2429	MILWOK PL WOOD													
2430	VENIER PL WOOD													
2432	WOODEN CONTAINERS													
2440	MISC WOOD PRODUCTS													
2480	CREOSOTED PL WOOD													
25	FURNITURE PARTS													
254	HOUSEHOLD FURNITURE													
259	PUBLIC BLDG FURNIT													
264	PARTITION SHELVING													
269	MISC FURNITURE													
28	PULP PAPER ALIED													
281	PULP PULP MILL PRO													
282	PAPER ACFT BULD													
28211	NEWSPRINT													
28212	PRINTING PAPER													
28213	PRINTING PAPER													
28214	WRAPPING PAPER													
28217	SPEC INDUSTRY PAPER													
28225	MANUFACTURING PAPER													
283	PAPERBOARD PULP PRO													
284	CONVERTED PAPER													
2841	CONVERTED PAPER													
28471	SANITISER/HEALTH													
285	CONTAINERS & BOXES													
286	BUILDING PAPER/PRO													
28613	WALSH PRO													
27	PRINTED MATTER													
271	PERIODICALS													
272	PERIODICALS													
273	BOOKS													
274	BOOKS & MATTER													
276	MANFOLD BLANK FORM													
277	GREETING CARDS													
278	BLANKBOOK, BLANK													
279	PRO SERVICE INDUSTRY													
28	CHEMICAL PRODUCTS													
281	INDUSTRY CHEM													
2812	SODIUM PHSN CHEMS													
28123	SODIUM CPO													
2813	INDUSTRY CHEM/ESSE													
2814	INDUSTRY CHEM/ESSE													
2815	INDUSTRY CHEM/ESSE													
2816	INORGANIC REAGENTS													
2818	MISC INDOUS CHEM													
2819	MISC INDOUS CHEM													
28193	SULPHURIC ACID													
282	SYNTHETIC RUBBER													
28212	SYNTHETIC RUBBER													
28213	SYNTHETIC RUBBER													
283	DIESEL OIL													
284	SCAP & OTHER OILS													
2841	SCAP & OTHER OILS													
285	PLANTS WINNERS LACC													
286	GLUE AND WOOD CHEM													

[illegible]

CODE	DESCRIPTION	REVENUE FREIGHT ORIGINATING ON RECEIVEMENTS RAILROAD				REVENUE FREIGHT RECEIVED FROM CONNECTING CARRIERS				TOTAL REVENUE FREIGHT CARRIED				GROSS FREIGHT REVENUE DOLLARS
		TERMINATING ON LINE		DELIVERED TO CONNECTING CARRIERS		TERMINATING ON LINE		DELIVERED TO CONNECTING CARRIERS		TOTAL REVENUE FREIGHT CARRIED				
		CARLOADS	TONS	SHIPMENTS	CARLOADS	TONS	SHIPMENTS	CARLOADS	TONS	SHIPMENTS	CARLOADS	TONS	SHIPMENTS	
361	ELECT MACHV EGYPT													
362	ELECT INDUSTRY APPAR													
363	HOUSEHOLD COOKING													
3631	HOUSEHOLD COOKING													
3632	HOUSEHOLD COOKING													
3633	HOUSEHOLD LAUNDRY													
364	ELECTRIC LIGHTING													
3641	ELECTRIC LIGHTING													
365	RADIO AND TV SETS													
366	COMMUNICATION EQUI													
367	ELECTRONIC COMPONE													
368	MISC ELECT MACHINE													
37	TRANSPORTATION EGP													
371	MOTOR VEHICLES													
3711	MOTOR VEHICLES													
37111	PASSENGER CARS													
37112	TRUCK TRACT TRUCKS													
3713	MOTOR COACHES													
3714	MOTOR COACHES													
3715	MOTOR COACHES													
3716	MOTOR COACHES													
3717	MOTOR COACHES													
3718	MOTOR COACHES													
3719	MOTOR COACHES													
372	MOTOR VEHICLE PART													
373	TRUCK TRAILERS													
374	TRUCK TRAILERS													
375	TRUCK TRAILERS													
376	TRUCK TRAILERS													
377	TRUCK TRAILERS													
378	TRUCK TRAILERS													
379	TRUCK TRAILERS													
38	INSTRUMENTS PHOTO													
381	ENGINEER LAB INSTR													
382	MEASURING CONTROL													
383	OPTICAL INSTRUMENT													
384	OPTICAL INSTRUMENT													
385	OPTICAL INSTRUMENT													
386	PHOTOGRAPHIC EQUIP													
387	WATCHES CLOCKS													
39	MISC PROD OF MANUF													
391	JEWELRY SILVERWARE													
392	JEWELRY SILVERWARE													
393	JEWELRY SILVERWARE													
394	TOY AMUSEMENT SHORT													
3949	SPORTS HAT FET GOODS													
395	SPORTS HAT FET GOODS													
396	COSTUME ENSEMBLY													
399	MISC MANUFACTURED													
40	WASTESHAIP WATER													
401	ASHES													
402	WASTE AND SCRAP													
4021	WASTE AND SCRAP													
4022	WASTE AND SCRAP													
4023	WASTE AND SCRAP													
4024	WASTE AND SCRAP													
403	WASTE AND SCRAP													
41	MISC FREIGHT SHIPM													

CODE	DESCRIPTION	REVENUE FREIGHT ORIGINATING ON RESPONDENTS RAILROAD				REVENUE FREIGHT RECEIVED FROM CONNECTING CARRIERS				TOTAL REVENUE FREIGHT CARRIED			
		TERMINATING ON LINE		DELIVERED TO CONNECTING CARRIERS		TERMINATING ON LINE		DELIVERED TO CONNECTING CARRIERS		TOTAL REVENUE FREIGHT CARRIED		GROSS FREIGHT REVENUE DOLLARS	
		CARLOADS	TONS	SHIPMENTS	CARLOADS	TONS	SHIPMENTS	CARLOADS	TONS	SHIPMENTS	CARLOADS	TONS	SHIPMENTS
4101	DISC FREIGHT TRIPWAY												
4111	DISC FREIGHT TRIPWAY												
4114	ARTICLES USED												
412	MISC COMMOD NOT REG												
42	CONTAINERS SHIPPIN												
421	CONTAINERS SHIPPIN												
422	CONTAINERS SHIPPIN												
423	TRAILERS REVENUE												
44	FRIGHT FORWARDED												
441	FRIGHT FORWARDED												
45	SHIPPER ASSN TRAFF												
451	SHIPPER ASSN TRAFF												
46	MISC WMS SHIPMENTS												
461	MISC WMS SHIPMENTS												
462	MISC SHIPMENTS												
47	SM PACKAGED FREIGHT												
471	SM PACKAGED FREIGHT												
48	HAZARDOUS WASTE												
TOTAL													
TOTAL													
TOTAL													

**APPENDIX D**  
**Paperwork Reduction Act Collections**

The additional information below is included to assist those who may wish to submit comments pertinent to review under the Paperwork Reduction Act of the two collections for which modifications are proposed in this proceeding:

**COLLECTION NUMBER 1**

*OMB Control Number:* 2140-0001.

*Title:* Quarterly Report of Freight Commodity Statistics (Form QCS)

*Form Number:* None

*Type of Review:* Revision of currently approved collection

*Respondents:* Class I railroads

*Number of Respondents:* 7

*Estimated Time Per Response:* 217 hours, plus a one-time addition of 7.5 start-up hours

*Frequency of Response:* Quarterly, with an annual summation

*Total Annual Hour Burden:* 7,613 hours annually (includes additional 2.5 hours per year per railroad, which is 7.5 start-up hours annualized over the three-year approval period)

*Total Annual “Non-Hour Burden” Cost:* No “non-hour burden” costs associated with this collection have been identified.

*Needs and Uses:* This collection, which is based on information contained in carload waybills used by railroads in the ordinary course of business, reports car loadings and total revenues by commodity code for each commodity that moved on the railroad during the reporting period. See 49 C.F.R. § 1248. While the public is the primary user of the quarterly data, the Board enters information from the annual report into URCS. The Board uses URCS as a tool in rail rate proceedings, in accordance with 49 U.S.C. § 10707(d), to calculate the variable costs associated with providing a particular service. The Board also uses this information to more effectively carry out other of its regulatory responsibilities, including: acting on railroad requests for authority to engage in Board-regulated financial transactions such as mergers, acquisitions of control, and consolidations, see 49 U.S.C. §§ 11323-11324; analyzing the information that the Board obtains through the annual railroad industry waybill sample, see 49 C.F.R. § 1244; measuring off-branch costs in railroad abandonment proceedings, in accordance with 49 C.F.R.

§ 1152.32(n); developing the “rail cost adjustment factors,” in accordance with 49 U.S.C. § 10708; and conducting investigations and rulemakings. In addition, many other Federal agencies and industry groups depend on Form QCS for information regarding the cost of the movement of goods by railroads. The Board now proposes to modify this collection to require railroads to provide additional data regarding the number of shipments. This modification will provide the Board with information relevant to proposed changes in the way that URCS calculates switch engine minute costs and station clerical costs. There is no other source for the information contained in this report.

## COLLECTION NUMBER 2

*Title:* Annual Report of Cars Loaded and Cars Terminated. (Under the proposal described in this proceeding, the name of this report would be changed to “Annual Report of Cars and Shipments Originated and Terminated” to reflect the substantive modifications to the reporting requirements.)

*OMB Control Number:* 2140-0011

*Form Number:* Form STB-54

*Type of Review:* Revision of currently approved collection

*Number of Respondents:* 7

*Estimated Time Per Response:* 4 hours, plus a one-time addition of 9 start-up hours

*Frequency of Response:* Annual

*Total Annual Hour Burden:* 49 hours (includes additional 3 hour per year per railroad, which is 9 start-up hours annualized over the three-year approval period)

*Total Annual “Non-Hour Burden” Cost:* No “non-hour burden” costs associated with this collection have been identified.

*Needs and Uses:* This collection reports the number of cars loaded and cars terminated on the reporting carrier’s line. See 49 C.F.R. § 1247. Information in this report is entered into the Board’s URCS, the uses of which are explained under Collection 1. The Board now proposes to modify this collection to require railroads to provide additional data regarding the number of shipments. This modification will provide the Board with information relevant to proposed changes in the way that URCS calculates switch engine minute costs and station clerical costs. There is no other source for the information contained in this report.